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SUBJECT: BASESCU STARTS ON A CONCILIATORY NOTE

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11. (SBU) Summary. After the Constitutional Court certified his victory on December 16, incumbent president Traian Basescu adopted a new conciliatory tone, pledging improved performance in his second term and announcing "state modernization" as his main priority. Basescu declared his commitment to having a government by Christmas and a CY2010 budget adopted in early January. Basescu once again nominated acting PM Emil Boc to form a new government. Boc should have a slim if confirmed parliamentary majority consisting of his own Democratic Liberal Party (PDL), the Hungarian Ethnic Party (UDMR) and a group of "independents" who split off from the opposition Social Democrat (PSD) and National Liberal (PNL) parties. End summary.

12. (SBU) The results of the December 6 presidential election were finally settled December 16, when the Constitutional Court solemnly validated incumbent Traian Basescu's re-election. Basescu took the opportunity to reinvent himself as a conciliatory politician ready to leave behind the old, conflict-prone Basescu. He thanked his supporters for their trust and those who did not vote for him for "teaching him a lesson." Basescu acknowledged that this second term brings greater responsibility because he must build on past experience and learn from his mistakes. Later in the day, he stressed that this new mandate would be entirely dedicated to Romanians (and not to narrow party objectives) as he has no plans to run for office again.

Boc Reloaded

13. (SBU) On December 17 Basescu re-nominated acting PM Emil Boc for Prime Minister in the new administration. Basescu praised Boc as a "man of dialogue" and tasked him to assemble a Cabinet and win parliamentary approval by December 23. Basescu explained the urgency in terms of the need to comply with IMF requirements. He suggested that the new cabinet must submit a draft budget to Parliament before Christmas. The Parliament would then be called into extraordinary session in early January 2010 to analyze, amend and vote on the budget by January 17, in order to allow the IMF Board time to approve release of the remaining two installments of financial assistance to Romania one month later. Basescu disclosed that half of the USD 2.3 billion expected from the IMF will go as normal to the National Bank, the other half to the Ministry of Finance to cover the state deficit.

PDL Parliamentary Majority

14. (SBU) The major opposition parties PSD and PNL announced they would not support a cabinet led by Boc. However, PDL has managed to win the crucial support of the UDMR and has attracted a critical mass of defectors from the PSD and PNL caucuses. Since the election, half a dozen PSD and PNL MPs left their parties and joined a group of Parliamentary "independents" with clear pro-PDL, pro-Basescu inclinations. With the 18-vote support of the group of ethnic minorities, this provides PDL a fragile working majority of

241 out of the 470 seats in Parliament.

¶5. (SBU) There is much speculation over the make-up of a Boc government, but the PM-designate has yet to name any names. Given Basescu's timetable, he will likely unveil the ministerial line-up within days. In exchange for their political support, UDMR can expect to get a deputy PM slot and two or three ministerial portfolios, likely regional development, communications or SMEs. Gabriel Oprea, the most senior PSD defector and leader of the "independents," will likely receive a senior portfolio such as Defense or Interior, the latter of which he briefly held in early ¶2009. PDL "heavyweights" Vasile Blaga and Adriean Videanu will likely continue in senior posts. If Parliament can convene on December 21 to hear Boc's program and vet the individual ministers, it is quite possible that Basescu could get his wish of having a functioning Cabinet in place before Christmas.

¶6. (SBU) Comment. With validation of his re-election, Basescu is genuinely "back in power." He is trying to present himself as having learned from his mistakes and willing to seek compromise and reconciliation over conflict. Nonetheless, he will clearly remain a "hands-on" president exercising tight control over the government, as shown by his unsurprising renaming of the ever loyal Boc. With the slim parliamentary majority that PDL has cobbled together, Boc now appears to have enough support to gain quick approval of his new cabinet. This comes largely at the expense of PSD and PNL, which are both rent by internal divisions and still trying to recover from their recent electoral defeats. The eternal question remains whether Romania will finally have a government more concerned with governing than politicking. End comment.

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